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18 AUG 1977

MEMORANDUM FOR: Acting Deputy Director of Central Intelligence  
THROUGH : The Comptroller <sup>ST</sup> 24 AUG 1977  
FROM : F. W. M. Janney  
Director of Personnel  
SUBJECT : Feasibility of Two-Grade Promotion Policy

1. Action Requested: Approval of recommendations that are contained in paragraph 4.

2. Background:

a. There has been a lack of comparability in promotion practices between CIA and DIA professionals serving together in the National Photographic Interpretation Center (NPIC). This issue prompted a broader examination of the Agency's unique practice of single-grade promotions in the range GS-05-11. In March 1977, the Director of Personnel recommended a return to the two-grade promotion system for Agency professionals in the grade range GS-05 - GS-11. (This practice was in effect within the Agency during the 1950's.) The subject was discussed by the Executive Advisory Group (EAG) meeting of 10 May 1977, at which time cost estimates were requested. At the EAG meeting of 14 June 1977, an additional request was levied upon the Director of Personnel for a transition plan to assure equity for professional employees now in grades GS-06, GS-08, and GS-10. The Office of Personnel drafted such a transition plan, along with cost estimates, that has been reviewed by the Comptroller. The essentials of that draft are included in this action paper.

3. Staff Position: The recommendations presented in Section 4 are a modification of a proposal prepared in 1969. At that time it was proposed that the transition be accomplished by 1) establishing time-in-grade guidelines for two-grade promotions, 2) promoting to

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the next grade immediately qualified professionals of grades GS-06, 08, 10 if they are in positions of higher grade, 3) promoting professionals now in the position grade of GS-06, 08, 10 when they qualify and are eligible for promotion under normal procedures, and 4) promoting individuals in training or newly hired as GS-06, 08, and 10 a single grade when qualified and eligible, and thereafter under the two-grade system up to GS-11.

A weakness in this original procedure was the outcome that some employees recently promoted to GS-06, 08, or 10 and then given the transitional promotion would have had abnormally short time-in-grade over the two-grade range. This could be guarded against by providing that the transitional promotion (a single grade to GS-07, 09, or 11) should not follow sooner than three years after the promotion to the preceding odd number grade. The necessary exception should be made for highly ranked (first category) individuals who meet all other criteria for promotion. Thereafter the promotion timing would be governed by the standing guidance of the particular Career Service.

The additional cost of the transition year (FY 1978), when there would be catchup promotions for many professionals graded GS-06, 08, or 10, would be an estimated \$400,000. In subsequent years, the costs would be controlled by policy governing time-in-grade. If the total time-in-grade for the two-grade promotions is not reduced in comparison with the previous time for two consecutive single-grade promotions, the costs of promotion would actually be reduced because of the absence of intervening (single grade) promotions. On the other hand, if the two-grade promotions were given as rapidly as were single-grade promotions previously, the costs of promotion would be increased as much as \$710,000, according to an earlier estimate submitted to the EAG. We would expect that the new policy would be administered to provide for some compression of the previous time for two single-grade promotions but not enough to add significantly to costs. The cost analysis is attached at Tab A.

4. Recommendations: It is recommended that the A/DDCI:

A. Approve the implementing of a policy of two-grade promotions for individuals occupying professional positions in grades (GS-05,) 07, and 09 effective 1 October 1977.

B. Implement a transition plan during FY 1978 with these features:

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(1) Professional employees of grades GS-06, 08, and 10 who are of grade less than the grade attached to the position should be promoted the first day of the fourth pay period after 1 October 1977 provided:

a. that they meet the qualification standards of the higher grade,

b. that they are recommended by evaluation bodies and approved by Director of Personnel, and

c. that at least three years have lapsed since the previous promotion to an odd grade (GS-05, 07, or 09).

(2) Employees not meeting the three year requirement but otherwise eligible may qualify for immediate promotion if highly ranked (first category) -- otherwise they will be promoted first day of the first pay period after satisfaction of the three year criterion for the transition plan promotions. (Note: the three year criterion is not intended to replace the time-in-grade guidelines of the Career Services; it only pertains to the transitional promotions.)

(3) Professional employees in training or newly hired as GS-06, 08, or 10 should be promoted to the next grade when it is determined by normal guidelines and procedures that they are qualified and eligible for promotion to that grade, and thereafter they qualify for two-grade promotions up to GS-11.

(4) Professional employees occupying positions presently graded GS-06, 08, and 10 and bearing the grade of those positions will be promoted when they qualify and are eligible for higher grade under normal promotion procedures.

C. Instruct the Career Services to seek to reduce the average time-in-grade in FY 1979 for two-grade promotions by 10 percent from the FY 76 combined lapsed time for two single-grade promotions (namely, an Agency average of 51 months for GS-07 to GS-09 and 45 months from GS-09 to GS-11 should be reduced by ten percent, or 5 months in each case). Time-in-grade guidelines should be adjusted by the Career Services, if necessary.

7-9 = 46 mos  
9-11 = 40 "

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D. Instruct the Comptroller to set aside necessary funding for transitional promotions during FY 78 in the amount of \$400,000.

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F. W. M. Janney

Atts.

APPROVED

: Acting Deputy Director of  
Central Intelligence

Date

DISAPPROVED:

Acting Deputy Director of  
Central Intelligence

Date

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Cost Analysis - Transition For  
Two-Grade Promotions

1. There are three factors influencing costs. These are (1) the costs of transition (that is, immediate promotion of many of the present professionals who are incumbents of grades 06, 08, and 10), (2) the higher cost of a two-grade promotion as against a single-grade promotion, and (3) the comparative frequency of two-grade promotions. As indicated in an earlier study, if the two-grade promotions occur at the same frequency as the one-grade promotions presently do, there would be a significant increase in costs, as much as \$710,000. On the other hand, it may be argued that the frequency of promotions in the grades affected is controlled by headroom in GS-07, 09, and 11 positions (as there are few GS-06, 08, and 10 positions for professionals) and by guidelines that would compress only somewhat times-in-grade for two-grade promotions as compared to two single-grade promotions. The costs can be controlled through the time-in-grade guidance.

2. Assuming that the implementation follows the modified plan recommended, it may be calculated that there would be a first-year transition cost of \$400,000 above normal promotion costs in the GS-05-11 range, but that in the second year the costs of promotions would actually decline some \$60,000 without compression of time-in-grade because of the lesser frequency of promotions. For convenience, it is assumed that implementation begins in the beginning of the fiscal year, therefore, many of the immediate promotions required under the transition plan are promotions that would have occurred later in the fiscal year anyway. Further it is assumed that as there are only about a dozen professionals in the GS-05-06 grades, the cost analysis can concentrate on GS-07 to GS-11.

3. A useful starting point for analysis is provided by promotion data for FY 1976 (actually 5 quarters) given in the APP. Adjusted for a 4-quarters basis, the numbers of promotions of professional were: GS-07 to 08, 199; GS-08 to 09, 233; GS-09 to 10, 268, and GS-10 to 11, 305.

4. Based on average time-in-grade of promotees, the values per promotion are: GS-07 to 08, \$856; GS-08 to 09, \$909; GS-09 to 10, \$957; GS-10 to 11, \$1015; GS-07 to 09, \$2190; and GS-09 to 11, \$2489.

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6. In mid 1977, there were professional positions for the intermediate grades in the following numbers: GS-06, 1; GS-08, 83; GS-10, 65.

7. Table 1 summarizes an estimate of the costs of promotions for two years, a transition year and a post-transition year, under the one-grade and two-grade policies. Table 2 summarizes the number of professional employees on duty 31 May 1977 for grades GS-05 through 11.

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